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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 34-83

WASHINGTON, August 24--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

EC TRADE NOTES

Lower EUROPEAN COMMUNITY (EC) wheat prices and the strengthening U.S. dollar mean reduced EC export subsidy costs and the likelihood of a continued aggressive EC export program for wheat. Thru mid-August, the EC authorized 2.3 million tons of wheat for export, nearly 50 percent ahead of last year's pace. A combination of the rising value of the dollar and current lower internal EC wheat market prices as a result of the ongoing harvest and limited intervention has enabled the EC to cut its export subsidy by half in recent weeks to about \$26 per ton.

GRAIN AND FEED

A team from TURKEY is expected to arrive in Washington, D.C. near the end of August to investigate the possibility of purchasing 200,000 to 300,000 tons of U.S. barley. While barley yields are about unchanged from a year ago, area is lower, resulting in a 6-percent drop in production to 6 million tons for 1983/84. This led to smaller government procurements from the domestic crop. Turkey exported 700,000 tons of barley in 1982/83 from a record crop of 6.4 million tons. Because of this year's smaller crop, Turkey is expected to export only around 300,000 tons this year to traditional markets.

COTTON AND FIBERS

BRAZIL has agreed to permit imports of good quality cotton under a drawback system, according to the U.S. agricultural officer in Sao Paulo. Cotton will be permitted to enter the country tax free, but must be re-exported as textiles. A shortage of good quality domestic cotton prompted textile industry officials to request the action.

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SUGAR

The 1982/83 WORLD centrifugal sugar production estimate now stands at 99.7 million tons, raw value, down 1 percent from the record 100.6 million tons produced in 1981/82 and up 1.1 million tons from the earlier estimate. The production increase is primarily from a 592,000-ton increase in the USSR's beet sugar estimate to 7,392,000 tons and a 478,000-ton increase in Mexico to 3,078,000 tons. World beet sugar production accounted for 36.9 million tons (37 percent) and cane sugar 62.8 million tons (63 percent) of the world total.

COFFEE, TEA AND COCOA

USDA's green coffee production estimate for COLOMBIA's 1983/84 crop remains unchanged at 13 million bags of 60 kilograms (kg.) each compared with 13.3 million during 1982/83. Harvested area is estimated at 945,000 hectares, 10,000 hectares lower than the preceding year due to rotational pruning of trees planted 8-10 years earlier. Reduced fertilizer application, higher costs for labor, and more demanding quality requirements by cooperatives are also expected to contribute to reduced coffee production for 1983/84.

Colombia has already contracted to ship its assigned International Coffee Organization (ICO) quota of 8.4 million bags during the 1982/83 marketing year. Exports to non-ICO members amounted to approximately 349,000 bags during the first nine months of the year, 60.5 percent below the volume exported to the group last year.

Colombian coffee stocks are expected to grow to 13.1 million bags by the end of 1983/84, a level slightly above estimated production for the year. This will represent a heavy financial burden for the country.

BRAZIL's 1983/84 green coffee production estimate has been reduced by 750,000 bags to 30.75 million bags by the U.S. agricultural officer in Rio de Janeiro. Unseasonal and persistent heavy rains from mid-May to mid-June in the three major producing states of Parana, Sao Paulo and southwestern Minas Gerais reduced the harvest of ripe cherries, damaged the quality and delayed harvesting and drying of the crop. In addition, the crop in the state of Espirito Santo was affected by several weeks of drought during and after the flowering season. The 1983/84 production remains over 70 percent above the freeze-reduced 1982/83 crop of 17.75 million bags.

Green coffee production in the PHILIPPINES for 1983/84 is now forecast by the U.S. agricultural counselor at 912,000 bags, compared with a revised figure of 960,000 bags produced in 1982/83. The prolonged drought stress on coffee trees, which reduced 1982/83 yields, is expected to carry over into 1983/84.

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Despite the setback in production in 1983/84, the total coffee supply is estimated to be adequate for both meeting export quotas and satisfying domestic consumption requirements.

Coffee exports during marketing year 1982/83 (October/September) are expected to total 500,000 bags. The United States is the Philippines' principal coffee market.

EL SALVADOR's 1983/84 coffee production is forecast at 2.5 million bags, down 12 percent from the 2.855 million bags produced during 1982/83. Late and sporadic rains and unfavorable prices are reportedly the cause for this expected decline. While growers complain that the inability to liquidate stocks is discouraging production, some relief is predicted as El Salvador's current high stock levels are expected to decline from 1.59 million bags to 1.25 million bags during 1983/84. Increased cash and barter trade with non-ICO countries, including South Africa, Hong Kong, Egypt and several East bloc members, have helped to slow the accumulation of coffee stocks that resulted from the above average 1982/83 harvest.

The BRAZILIAN COFFEE INSTITUTE (IBC) has set the new support price to coffee growers for standard type 6 coffee at 37,500 cruzeiros per 60-kilogram bag, effective July 1, 1983. This price will be automatically adjusted October 1, based on the change in the Consumer Price Index during the July-September 1983 period.

According to preliminary figures of the Foreign Trade Department of the Bank of Brazil (CACEX), coffee exports during marketing year 1982/83 (July-June) totaled nearly 16.9 million bags, valued at \$2.1 billion, including 15.3 million bags of green beans and 1.6 million bags as green equivalent of soluble. As a result, carryover stocks at the end of the year amounted to a record low 5.93 million bags, of which 4.43 million bags were held by the IBC.

On July 1, 1983, the IBC published marketing regulations for the 1983/84 crop. Since December 1974, the IBC has allowed up to 1 percent impurities for domestic as well as exportable quality coffee; however, the new regulations provide that all coffee marketed must be free of impurities. Grading standards remain unchanged.

FRUITS AND NUTS

JAPAN'S 1984 satsuma orange crop (harvest beginning in the fall of 1983), which accounts for about 90 percent of the total tangerine crop, is estimated by the U.S. agricultural counselor in Tokyo at 3 million tons, up 5 percent from last year. Because the current crop estimate is well above the 2.7 million-ton target level established by the Japanese Fruit Production and Stabilization Council, growers are now being asked to reduce their crop voluntarily by fruit thinning. The Japanese government will release an estimate of the satsuma crop in late August.

Selected International Prices

Item	:	Aug. 23, 1983		Change from	A year
		:		previous week	ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT	\$ per MT
Wheat:					
Canadian No. 1 CWRS-13.5%.	213.00	5.80	+5.00	195.50	
U.S. No. 2 DNS/NS: 14%...	192.00	5.23	+4.00	172.00	
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--	N.Q.	
U.S. No. 2 S.R.W.....	174.00	4.74	+2.00	144.00	
U.S. No. 3 H.A.D.....	214.50	5.84	+5.50	163.00	
Canadian No. 1 A: Durum..	222.50	6.06	+6.00	181.00	
Feed grains:					
U.S. No. 3 Yellow Corn....	174.00	4.42	+3.00	111.50	
U.S. No. 2 Sorghum 2/.....	140.50	3.57	--	N.Q.	
Feed Barley 3/.....	N.Q.	--	--	N.Q.	
Soybeans and meal:					
U.S. No. 2 Yellow.....	N.Q.	N.Q.	N.Q.	234.00	
Brazil 47/48% SoyaPellets 4/	306.00	--	+7.00	205.00f	
U.S. 44% Soybean Meal.....	293.50	--	+3.50	205.00	
U.S. FARM PRICES 5/					
Wheat.....	126.40	3.44	.37	118.68	
Barley.....	102.88	2.24	--	72.11	
Corn.....	133.46	3.39	-3.54	84.25	
Sorghum.....	117.28	5.32	6/ -1.10	80.47	
Broilers 7/.....	1125.89	--	-73.19	N.A.	
EC IMPORT LEVIES					
Wheat 8/.....	67.32	1.83	+7.89	110.26	
Barley.....	55.46	1.21	+3.38	105.63	
Corn.....	37.17	.94	+12.11	107.00	
Sorghum.....	60.30	1.53	+1.90	102.63	
Broilers 9/.....	N.Q.	N.Q.	N.Q. *	N.Q.	
EC INTERVENTION PRICES 11/					
Common wheat(feed quality)	162.70	4.43	+5.14	179.53	
Bread wheat (min. quality)	179.25	4.88	+5.65	198.72	
Barley and all other feed grains.....	162.70	--	+5.14	179.53	
Broilers 11/.....	N.Q.	N.Q.	N.Q.	N.Q.	
EC EXPORT RESTITUTIONS (subsidies)					
Wheat 12/.....	30.25	.82	+4.41	71.13	
Wheat flour.....	N.Q.	N.Q.	N.Q.	N.Q.	
Barley.....	18.15	.40	-.19	64.22	
Broilers 9/.....	N.Q.	N.Q.	N.Q. *	N.Q.	
Sugar, refined	N.Q.	N.Q.	N.Q.	N.Q.	

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ F.o.b. price for R.T.C. broilers at West German border. 12/ Corrective amount Aug. 0, Sept. -3, Oct. -5, Nov. -8, and Dec. -10. N.Q.=Not quoted. N.A.=None authorized. Note: Basis September delivery. *Reflects currency fluctuation and not change in level set by EC.